# **City Incentives**

## Infill Development Incentive Program

The City of El Paso provides incentives to make redevelopment of infill properties more attractive and affordable. The Infill Development Incentive Program is intended to facilitate the reuse of vacant land, and vacant or blighted buildings. The incentives are available for commercial and affordable rental housing projects city-wide. The program includes tax exemptions and other financial incentives.

## Requirements

The Infill Development Program is an incentive for private investment in platted, vacant land and/or blighted properties throughout the City of El Paso. The program incentives include property tax exemptions on city taxes.

The <u>minimum</u> investment in the infill property are:

- -Single-family attainable rental housing: minimum \$25,000 investment
- -Commercial: minimum \$50,000 investment

In addition, projects must meet at least one of the criteria below:

- Vacant lot or building with 60% or more unoccupied
- Legally recorded and developed subdivision at least 30 years old
- If for single-family rental housing, must be "attainable housing" rents based on income restrictions

Additional criteria apply. For More info: (915) 541-4670 or email: heaternm@elpasotexas.gov

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In addition to the <u>exemption of City property taxes</u>, qualifying projects may be eligible for the following financial incentives:

<u>Construction Materials Sales Tax Rebate:</u> 100% rebate of the City's portion of sales tax used on materials and labor

<u>Lien Waivers:</u> Provides property owners a release of liens attached to infill properties as a result of condemnation, sanitation, or other city-imposed non-property liens

<u>Building Construction Fee Waivers:</u> Building construction fees and planning fees associated with the infill project would be waived (up to \$4,000 for single-family attainable rental housing and up to \$10,000 for a commercial, multifamily or mixed use projects)

<u>Infill Overlay:</u> The City may initiate an infill overlay application on the property that may result in decreased parking requirements, a reduced setback provision or increased density (upon request).

<u>Customized Plan Review:</u> The Planning and Economic Development Department is committed to assisting applicants through the planning and permitting under an expedited review process at no additional cost to the applicant.

## **Property Tax Exemption**

All qualifying projects receive 100% tax exemption the first year—for the next four years the tax exemption is a percentage based on the total investment spent on the project and the location of the project (first and second ring) within the city of El Paso.

The following example table shows the first and second level tax exemption schedule:

#### FIRST LEVEL (FIRST RING):

| Investment: Single family attainable rental housing | Investment:<br>Commercial | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------------------------------------------------|---------------------------|--------|--------|--------|--------|--------|
| \$25,000                                            | \$50,000                  | 100%   | 50%    | 25%    | 0%     | 0%     |
| \$50,000                                            | \$100,000                 | 100%   | 75%    | 50%    | 25%    | 0%     |
| \$100,000                                           | \$200,000                 | 100%   | 100%   | 75%    | 50%    | 25%    |
|                                                     | \$400,000                 | 100%   | 100%   | 75%    | 66%    | 50%    |
|                                                     | \$800,000+                | 100%   | 100%   | 75%    | 75%    | 66%    |

### **SECOND LEVEL (SECOND RING):**

| Investment: Single family attainable rental housing | Investment:<br>Commercial | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------------------------------------------------|---------------------------|--------|--------|--------|--------|--------|
| \$25,000                                            | \$50,000                  | 100%   | 0%     | 0%     | 0%     | 0%     |
| \$50,000                                            | \$100,000                 | 100%   | 50%    | 0%     | 0%     | 0%     |
| \$100,000                                           | \$200,000                 | 100%   | 66%    | 33%    | 0%     | 0%     |
|                                                     | \$400,000                 | 100%   | 75%    | 50%    | 25%    | 0%     |
|                                                     | \$800,000+                | 100%   | 100%   | 75%    | 50%    | 25%    |

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Tax exemptions are based on the location of the project. Infill projects located in the First Level (red) receive a higher tax abatement on a sliding scale. Projects located in the Second Level (blue) also receive a 100% property tax abatement for the first year, but operate on a separate exemption schedule.

